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ABSTRACT

This report describes the national Office of Economic Opportunity (OEO) performance contracting experiment and three of its local programs. It also briefly outlines one state-level development in performance contracting. In the OEO experiment, 20 school districts were selected to represent diverse geographic settings; the common elements of the selected schools are that the children largely perform below grade level in reading and math and are from low-income families. Six profit-making instructional firms are subcontracting in three locations each. The two remaining districts are subcontracting with local affiliates in the National Education Association to test the impact of a teacher performance incentive approach. Each site has students assigned to experimental, comparison, or control groups for project evaluation. The three local projects described in detail are Stockton, California; Wichita, Kansas; and Jacksonville, Florida. A similar project is that of the State of Virginia which has arranged a contract between several school districts and Learning Research Associates of New York City. This project will be evaluated by the University of Virginia. (The document contains a table of projects with information under the following headings: location, contractor, date operational, funding, target students, subject areas, guaranteed learning gain and contractor payment.) (RT)

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SPECIAL REPORT

NATIONAL COMMITTEE FOR SUPPORT OF THE PUBLIC SCHOOLS • 1424 SIXTEENTH STREET, N.W., WASHINGTON, D. C. 20036

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March, 1971

PERFORMANCE CONTRACTING: A ROAD TO ACCOUNTABILITY?

"*All* children who fail in school have one thing in common. They are all products of prior teaching that has failed. The reason for failure is irrelevant. Perhaps the teaching was below average in intensity; perhaps it was above average in intensity. In either case it has failed. The child has not been taught skills that are essential to success in school. The job facing the educator is therefore similar to that of what we might call a remedial engineer, that is, an engineer who is charged with the job of correcting defective products as economically and painlessly as possible. The educator must bring the child up to the level of standard performance for children of his age. He must do so quickly and efficiently. He must take the problem that is given to him and solve it. Although the role of the remedial educator is quite similar to that of the remedial engineer, the educator has somehow failed to use the kind of hard-nosed, product-oriented reasoning that characterizes the engineer." [1] Performance contracting, a recent controversial development in education, may offer hope for instilling just this kind of reasoning.

On the other hand it may not. The professional response to either the concept of or experiments in performance contracting has been, by and large, less than enthusiastic. The American Federation of Teachers at their 1970 national convention adopted a resolution opposing performance contracting because it ". . . incorporates such dubious educational practices as merit pay incentives to teachers, over reliance upon standardized testing and the utilization of teaching machines and such doubtful incentives as 'green stamps' and transistor radios to children . . ." They further resolved ". . . all AFT locals be urged to educate their members, boards of education, as well as parent and community groups to the educationally negative aspects of performance contracting, and that the AFT sponsor a major nationwide campaign to oppose performance contracting."

While the National Education Association has not officially countered the concept of performance contracting, it has issued a nine point policy statement ". . . cautioning its 1.1 million members against the pitfalls of performance contracting in schools." The NEA did, however, oppose an experiment in performance contracting being conducted by the Office of Economic Opportunity even though two NEA affiliates in Stockton, California, and Mesa, Arizona, subsequently participated and signed contracts with their local school districts. Voicing opposition in testimony before a Senate subcommittee, Dr. John M. Lumley, Assistant Executive Secretary for Government Relations and Citizenship, stated that NEA ". . . deplores the OEO performance contracting program because we believe it can weaken the structure of the public school system and can discredit the schools in the eyes of the public."

This criticism has not gone unnoticed nor unanswered by Donald Rumsfeld, who until recently was Director of the Office of Economic Opportunity. In a speech before the San Francisco Chamber of Commerce in September, 1970, Mr. Rumsfeld defended both the OEO performance contracting experiment and a proposed voucher plan experiment. He stated, ". . . by conducting the experiments, the Agency will be in a position to provide the educational community with concrete data on which to base decisions. . . . One would expect, therefore, that news of the experiments would be greeted with enthusiasm among educators who for years have been voicing their concern about education and the poor. Interestingly, this has not been the case. Lobbyists for the education special interest groups have used most of the means at their disposal to attack the experiments. We find them pleading on the one hand for additional funds to improve the quantity of dollars for education programs while at the same time seeking to halt experiments designed to test su-

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gested improvements in our institutions. I find it strange that individuals who claim to be dedicated to advancing the frontiers of learning oppose legitimate efforts to improve methods of transmitting knowledge to children."

WHERE IT BEGAN

In September, 1969, the Texarkana School District entered into a contract with Dorsett Educational Systems of Norman, Oklahoma, in an effort to remove learning deficiencies for about 400 students in the seventh, eighth, and ninth grades. At a cost of $80 per student Dorsett agreed to increase the students' math and reading ability by one grade level for each 80 hours of instruction. The contract also called for penalties to be assessed against Dorsett for any student who failed to achieve the specified performance level and for bonuses to be paid for students whose progress exceeded the guarantee.

The company established "Rapid Learning Centers" in which potential dropouts who were at least two grade levels behind in math and reading enrolled for an average of two hours per day. The students progressed at their own rate through a course of instruction which consisted of programmed reading and math materials presented largely on a film strip and record teaching machine. Student achievement was rewarded with such items as green stamps and transistor radios.

The reported gains in learning were impressive. For instance, in March tests given to 59 students showed that they had attained an average 2.2 grade level increase in reading and 1.4 increase in math after only 60 hours of instruction in each. Further, only one of the participants had dropped out, vandalism was down, and teacher and community support for the program were strong.

In September, 1970, an independent auditor's report concluded that the first year's achievements were "invalid" because the contractor was "teaching to the test." The charge apparently applied only to May tests which contained questions that had been included verbatim in the instruction program. The actual amount of teaching to the test and the impact it had are still uncertain.

Thus, the first year of the Texarkana performance contracting experience ended by raising as much doubt as hope. Nevertheless, in that one year the project riveted national attention on achieving accountability and product-oriented education through the technique of performance contracting. The Texarkana project proved to be the forerunner of several innovative projects—the most notable being the Office of Economic Opportunity $6.5 million performance contract experiment.

As an instrument to promote both educational change and public accountability, the logic of guaranteed performance contracting has much to commend it. However, in light of the negligible results obtained from other efforts which initially offered promise of fostering change to upgrade educational quality, diligent evaluation is clearly needed. The OEO experiment is designed to provide intensive evaluation of student performance and cost factors associated with performance contracts. This Special Report describes this national experiment and focuses on three of the local programs. It also briefly outlines the one state level development in performance contracting. Finally, the presentation points out some of the barriers to adopting performance contracting to achieve accountability in schools.

THE OEO EXPERIMENT

In undertaking the performance contract experiment, the Office of Economic Opportunity stated two national goals for the project.

"To determine how effective teaching methods and/or technology under incentive payment systems can be in producing large-order gains in reading and mathematics among disadvantaged children.

"To conduct a rigorous evaluation of the impact of each of the districts' programs per student performance and the relationship of the performance to costs."

WHO'S INVOLVED

The Office of Planning, Research, and Evaluation in the Office of Economic Opportunity is the overall management authority for the project. Twenty school districts were selected which represent diverse geographic settings—five districts are rural, thirteen are urban; some are small, some are large—and which represent diverse racial characteristics—white, black, Mexican-American, Puerto Rican, and Eskimo. The common elements of the selected schools are that the children largely perform below grade level in reading and in math and are largely from low-income families.

Six profit-making instructional firms are subcontracting in three locations each for a total of 18 districts. Each firm, to differing degrees, combines student and teacher incentives with education technology involving the use of teaching machines, audio-visual material, reorganized texts, and programmed learning. The two remaining school districts in the project are subcontracting with the local teachers organization (affiliates of the National Education Association) to test the impact of a teacher performance incentive approach.

OEO contracted with two other organizations. One

is Education Turnkey Systems, Inc., of Washington, D. C., which acts as the management support group. ETS, Inc., assisted in designing the experiment and in selecting the program participants. They are also providing on-site management consultation and developing a system to measure costs per unit of student achievement. The second organization contracted by OEO is Battelle Memorial Institute of Columbus, Ohio. Battelle serves as the independent evaluator to conduct all pre- and post-tests for purposes of paying the contractors and auditing students' performance.

Three groups of students have been selected at each site. The *experimental group* consists of low-achieving students drawn from schools serving a high proportion of low-income clients within each school district. One hundred students per grade--first through third and seventh through ninth--receive instruction in reading and in math from the subcontractor for about one hour per day in each subject.

The other two groups of students serve to compare with the experimental group. The *control group* consists of an equal number of students from neighboring schools matched in terms of racial characteristics and income levels. This group will allow the performance incentive approach to be compared to the effectiveness of current classroom methods. A smaller *comparison group* consists of students in the same school as the experimental students. This group is included to assess any rub-off or transfer effect.

Finally, where schools selected for the experiment already have a remedial reading or math program, students in these programs will be tested for comparison.

WHAT'S ACTUALLY HAPPENING

One can gain a better understanding of what is involved in the OEO performance contract experiment by examining what is happening in three school districts at the present time.

Stockton, California

One of the two school districts that has subcontracted with the local NEA affiliate is Stockton, California. Stockton is a middle-sized city with a high percentage of low-income families and a diverse racial mix. The two experimental schools selected for the project reflect that mix. For instance, Roosevelt Elementary School has a student population which is 30 percent Mexican-American, 16 percent black, 46 percent white, and 8 percent oriental.

The entire first, second, and third grades numbering 327 children at Roosevelt constitute the experimental group. At Hamilton Junior High 300 students participate by classroom groups. The 24 regular classroom teachers (12 at each school) already scheduled to work with the selected children, elected to participate in the experiment.

The classroom instruction and environment remain essentially the same--the reward structure has changed with the introduction of student and teacher incentives. A teacher will receive a bonus up to 6 percent of his base salary if all his students increase their proficiency in reading or math by more than 1.6 grade levels per subject. A teacher of both math and reading can receive a bonus of as much as 12 percent. Student achievement must increase at least 0.8 grade level in order for the teacher to receive any bonus. (The project did not become operational until November, therefore, the grade level achievements required for bonus payments were scaled down proportionately from 1 for the minimum and 2 grade levels for the maximum.)

Student incentives consist of both individual and group rewards. The incentive structures are being adapted to what does and does not work as the project proceeds. The pattern, however, is to award points for successful completion of specific tasks, nondisruptive behavior, and attendance. Incentives are then earned on the basis of the number of points earned. Individual incentives for elementary students are small items such as desk erasers and matchbox toys--for junior high students; movie, wrestling, and skating rink tickets. And, records are given to top point award winners. Three junior high teachers have worked out contracts which students may elect to sign. One such contract permits released time for recreational purposes and a $10 cash award at the end of the year. The second grade has participated in a group reward--one that is likely to be repeated at other grade levels. Seventy-five students, four teachers, eight parent volunteers, and one bus driver lunched at Smorgy's, which as the name implies is a Swedish style smorgasbord restaurant.

The project director is James R. Turner, who was until this year President of the Stockton Teachers' Association and a ninth grade history teacher. Mr. Turner pointed out two areas of change which he considers significant. First, incentives seem to be correcting some extremely difficult behavior problems. Second, the experiment has encouraged cooperative effort both among teachers and among teachers and students. For instance, the four second grade teachers decided together what attainment goals would apply in order to participate in the group luncheon. And, at the junior high level, the teachers in consultation with the students are determining the reward structures.

Wichita, Kansas

Wichita has a population in excess of 400,000, ranks 73rd among the standard metropolitan statistical areas,

WHERE GUARANTEED PERFORMANC

Location	Contractor	Date Operational	Funding Amount*	Funding Source
The OEO Experiment				
Alaska, Anchorage	Quality Educational Development, Wash., D. C.		$444.632	
Arizona, Mesa	Mesa Teachers Association		33,976	
California, Fresno	Westinghouse Learning Corporation, Albuquerque, N.M.	Eighteen sites contracting with the private firms became operational at the beginning of 1970-71 academic year. The two sites contracting with the teachers' associations became operational in November, 1970.	299,015	
Stockton	Stockton Teachers Association		55,154	
Connecticut, Hartford	Alpha Learning Systems, Albuquerque, N.M.		320,573	
Florida, Jacksonville (Duval County)	Learning Foundations, Inc., Athens, Ga.		342,300	
Georgia, Athens (Clarke County)	Plan Education Centers, Little Rock, Ark.		301,770	
Indiana, Hammond	Learning Foundations, Inc.		342,528	
Kansas, Wichita	Plan Education Centers		294,700	Office of Economic Opportunity
Maine, Portland	Singer/Graflex Corporation, Rochester, N.Y.		308,184	
Rockland	Quality Educational Development		299,211	
Michigan, Grand Rapids	Alpha Learning Systems		322,464	
Mississippi, McComb	Singer/Graflex Corporation		263,085	
Nevada, Las Vegas	Westinghouse Learning Corporation		298,744	
New York, New York (Bronx #9)	Learning Research Associates		341,796	
Pennsylvania, Philadelphia	Westinghouse Learning Corporation		296,291	
Tennessee, Selmer (McNairy County)	Plan Education Centers		286,991	
Texas, Dallas	Quality Educational Development		299,417	
Taft	Alpha Learning Systems		243,751	
Washington, Seattle	Singer/Graflex Corporation		343,800	
The Virginia Project				
Norfolk Prince Edward Wise Buchanan Dickinson Lunenburg Mechlenburg	Learning Research Associates, New York, N.Y.	November 1970	191,250	Title I
Other Projects				
Arkansas, Texarkana	Turnkey phase -- Dorsett and other material	September 1970	--	District Model Cities
	Educational Development Laboratory, Huntington, N.Y.	October 1970	65,788	Title VIII
California, Gilroy	Westinghouse Learning Corporation	September 1970	60,000	Title I District
Florida, Jacksonville	Learning Research Associates	February 1971	70,000	Title I
Indiana, Gary	Behavioral Research Laboratories, Palo Alto, Calif.	September 1970	2.5 million	District
Massachusetts, Boston	Educational Solutions, Inc., New York, N.Y.	September 1970	120,000	Title I
Michigan, Grand Rapids	Westinghouse Learning Corporation	September 1970	143,000	Title I State
	Combined Motivation Education Systems, Chicago, Ill.	September 1970	164,000	Title I State Model Cities
Pennsylvania, Philsdelphia	Behavioral Research Laboratories	September 1970	600,000	--
Rhode Island, Providence	New Century, New York, N.Y.	December 1970	145,000	Model Cities
Texas, Dallas Project	Thiokol, Clearfield, Utah		208,719	
	and	August 1970		Title I
	New Century		256,189	

*Contract value only. Does not include District contribution of facilities, teachers, etc. or funds for management support services or independent auditors.

Information about the OEO experiment and the Virginia State p
Washington, D. C. 20036.
Additional information can be obtained by writing to the individu

E CONTRACTING IS HAPPENING

Total No.	Target Students: Grade Levels	Target Students: Racial Characteristics	Subject Areas	Guaranteed Learning Gain and Contractor Payment
		white, black, Eskimo		
		—		
		black, Mexican-American, white		
		black, Mexican-American, white		
		black		
		black		
		white, black		
12,000 approximately 00 students t each site, 0 per grade	One through three and seven through nine	white, black	Reading and mathematics at all sites.	For the private company contractors the average minimum achievement increase per student is 1.3 grade levels per subject before the average minimum payment of $110 is made. Bonuses of up to $210 will be paid for achievement increases of two or more grade levels. For the teacher association contractors, the minimum achievement increase per student is 0.8 grade level before a teacher is paid any bonus. Bonuses of up to 6 percent of base salary will be paid for achievement increases of 1.6 percent or more by all students.
		white, black		
		white		
		white		
		white, black		
		black		
		white, black		
		black, Puerto Rican		
		black		
		white		
		black, Mexican-American		
		Mexican-American		
		white, black		
2,250	One through nine for the overall project with different grades involved at each site	black black white white white black, white black, white	Reading	Average guarantee of 1.7 grade level increases for full contract price of $85 per student pro-rated down to 0 gain.
250	8-12	white, black	Reading Math	
300	7-12	white, black	Reading Math	For less than .9 gain, penalties assessed. 1.0-1.9 grade gain for payment based on points. Bonuses paid for 2 or more gains.
103	2-4	Mexican-American	Reading Math	Guaranteed gain of 1.3 grade level in 120 hours. Payment of $167.75 per gain with bonuses for additional achievement.
300	1	white, black	All 1st grade subjects	Payment of 50 percent of the cost per child for 0.5 gain on achievement tests, 40 percent for 0.9 gain on criterion reference tests, 10 percent for increase of one or more IQ points.
800 pupils per year	Bannecker Elementary School		All elementary subjects	The four year contract pays $800 per year per child, Gary's current per pupil expenditure. By the end of 3 years students are guaranteed to achieve at national grade level norms in basic curriculum areas. The company will refund fees paid for any child not achieving goal.
400	Elementary	black	Reading	Payment of $100 per student for minimum of 1.6 grade gain, $200 for 2.1 to 2.5 gain, $30 bonus for each additional year.
400	1-6	white, black	Reading Math	No payment for less than 1 grade gain. A maximum payment established for approximately 2 grade gains in each subject.
600	6-9	black	Reading Math	No payment for less than 1 grade gain. A maximum payment established for approximately 2.3 gains in each subject.
15,000	Elementary and junior high		Reading	Minimum achievement of one grade level at $40 per student.
1,500	2-8	white, black	Reading	Payment of $49.52 per student for minimum of 1.2 grade gain in grades 2-3 and 1.5 gain in grades 4-8. Bonuses of up to $211 for additional increases.
960	9-12	black, Mexican-American, white	Achievement motivation & Vocational training	Separate payment for achievement motivation and vocational training. Achievement motivation payment on a 7-point "department" scale, vocational based on student to be employed as helper, assistant, apprentice, or on-job-training.
			Reading Math	Minimum guarantee of 1.4 grade level gain. Pro-rated bonus for additional achievement.

oject provided by Education Turnkey Systems, Inc., 1660 L Street, N.W.,

l sites.

and faces all the usual urban school problems. The experiment here involves both black and white students and centers in three elementary and three junior high schools. Plan Education Centers of Little Rock, Arkansas, is the subcontractor. Plan's approach places heavy reliance on careful testing and diagnosis of student abilities and deficiencies and on individually planned programs of instruction. This company uses little hardware but rather uses a variety of teaching techniques, programmed texts and other soft materials, and flexible grouping by levels of deficiency. The initial concentration is on achieving improved reading skills. As gains in reading are made, mathematics is introduced. At both the elementary and secondary level the contractor devotes 1½ hours each to groups of 25 students. At the elementary level, two Plan personnel, a professional and a paraprofessional, join the regular teacher in the classroom for this period. At the junior high level a room in each school has been carpeted and air conditioned and designated as the Accelerated Learning Achievement Center. The center is staffed with two professionals and two paraprofessionals (Plan paraprofessionals are used in teacher roles). Since instruction is individualized and individuals are grouped by levels of deficiency, a class of 25 may include students from each of the three grades—seven, eight, and nine. Plan does not present students with extrinsic rewards, but rather places strong emphasis on initial learning success which leads to early development of intrinsic motivation.

The Plan instructional staff of 18 persons was recruited locally. Some of the professionals were employees of the school district. All personnel, including the cooperating elementary classroom teachers, attended preschool training sessions and are involved in on-going, in-service training.

Although no achievement results have been reported, behavior problems have diminished and attendance has increased.

Jacksonville, Florida

In another large urban area, Jacksonville, only black students from two schools, Rufus Payne Elementary and Darnell Cookman Junior High, constitute the experimental group. Seven classrooms, four at the elementary school and three at the junior high, have been carpeted, draped, and air conditioned to change the learning environment. Learning Foundations, Inc., of Athens, Georgia, is the subcontractor. Approximately 60 percent of this company's system consists of teaching machines which make use of alphabet cards, number cards, casettes, film strips, etc., and which are easy to operate, even for first graders. Individually prescribed instruction was computerized at the company's headquarters in Athens for each student after extensive pre-testing. There are 25 students per class at the elementary level and 33 at the junior high level. The students attend the special classrooms for a total of two hours each day—one hour in math and one hour in reading. Learning Foundations is using paraprofessionals only in their three projects. In Jacksonville, 32 paraprofessionals work on a team basis to monitor student performance, 12 at the junior high and 20 at the elementary school.

Students earn points on a daily basis and are awarded these points in the form of scrip which looks like monopoly money. This "money" can be used to buy items from an LFI catalog. The items are valued by points and range from a 10 point ballpoint pen to a 3,000 point hairdryer. LFI believes that such extrinsic rewards lose motivational effect over a period of time. They have subcontracted with Combined Motivation Education Systems who will advise them on techniques to change student incentives to intrinsic and attitudinal. (The success that some children have had in acquiring improved skills is already bringing about this desired change for them.) The paraprofessionals will receive bonuses at the end of the year based on student achievement, which, if all students achieved at the optimum level, could reach a maximum of 10 percent of base salary. Learning Foundations is working toward a minimum achievement of two grade level increases.

WHAT WILL BE LEARNED IN THE EXPERIMENT

The central questions of the performance contracting experiment are—will students learn reading and math skills as well as, better than, or the same as under traditional methods; and how much do the education programs used in the experiment cost? In other words, are the techniques worthwhile? Are they fiscally feasible?

Student performance is being evaluated in several ways. One nationally standardized test with mathematics, reading, and other subject subscores is to be administered to all students (experimental, control, comparison, and special program) at the beginning and end of the current academic year. Different forms of the same test are to administered at the beginning and end of the 1971-72 academic year to a random sample of the experimental and control students to assess the amount of retention. This test is to be used for evaluation purposes only, not for subcontractor payment. Other standardized tests are being administered to the experimental group only and will be used for subcontractor payment. The evaluation and payment tests were selected and administered to the experimental students by the evaluation contractor. To avoid contamination, either teaching to the tests or knowing

what tests were used, one of these tests was randomly assigned to a third of the students in each class. Each student will take a different form of the same test at the end of the year. In addition, at intervals of approximately six weeks, the school will administer curriculum-referenced tests to be developed by each contractor and validated by the school and the evaluation contractor.

Final evaluation will relate cost factors to student performance, and for this purpose detailed data are being collected in four major areas.

Student background—attendance and achievement history, attitudes, study habits, socio-economic status, family structure.

Teacher profiles—training, attitude, age, experience, specialization.

Learning environment—school facilities, administrative structure, cost data, programs, community characteristics.

Subcontractor and school programs—instructional program and materials, policies, training procedures, costs, information systems.

These data are being used in the ETS, Inc., COST-ED model designed to simulate the economics of instructional programs which utilize specific resources and techniques and which results in a particular level of student achievement. The model will convert the data from the various sites into statistically comparable costs so that a true comparison may be made of each company's approach. The model will also allow calculation of the cost of operating a school district on a particular company plan, the cost of larger company-operated systems, and the effects on the total school budget of increasing or decreasing particular budget items. This cost analysis will allow the participating school systems and the OEO to consider undertaking the turnkey phase—incorporating the company systems and techniques into the regular school programs.

THE STATE AND PERFORMANCE CONTRACTING

Assuming some degree of success results from the contracts underway this year, more and more districts may wish to engage in performance contracting. As the unit of overall governmental authority in education, each state must ascertain its interests. One role that has been suggested for the states by the Council of Chief State School Officers is that they develop guidelines for local districts. Much broader functions could be undertaken by states wishing to facilitate the use of performance contracting. One such function would be to provide incentive funds or services. Districts need a package of management support services during the contracting process to provide assistance in assessing needs, determining specifications for developing the Request for Proposal and for evaluating the proposals, and negotiating the contract. They need, as well, continuing management consultation during the life of the contract. The state could develop expertise to provide these services.

On the other hand, a state may choose to purchase this technical assistance for interested school districts. This is the approach decided upon by Virginia—the one state that has been instrumental in establishing a performance contracting project. Virginia, one of the states which has statewide textbook adoption is using performance contracting to field test new instructional systems. The state contracted with a management support group, Educational Turnkey Systems, Inc., to provide technical assistance to seven cooperating school districts. These districts, six rural and one urban, are representative of Title I districts throughout the state and are utilizing Title I funds for the project. They have entered into a one-year contract with Learning Research Associates of New York City. The company has guaranteed to improve reading skills by an average of 1.7 grade levels for $85 per student. Twenty-two hundred fifty students in grades one through nine are participating in the project. This company uses several different types of materials—not too much hardware—and is working with teachers employed locally by the school boards. Special classrooms designated as High Intensity Learning Centers are being carpeted, draped, and air conditioned. Student incentives are awarded at the teachers' discretion and are limited to such items as books and released time to make tape recordings. Satisfactory student achievement and feasible cost factors may lead to statewide adoption of the instructional systems. The project will be evaluated by the University of Virginia along lines similar to those of the OEO evaluation.

THE PUBLIC AND PERFORMANCE CONTRACTING

As with any school venture, public participation will greatly enhance the undertaking, and even though performance contracting is a relatively technical process, public involvement can be effected at several junctures. First, and perhaps foremost, the community must participate in assessing needs and establishing goals. It is equally important that the community assist in determining the evaluation criteria and that they receive full, unvarnished feedback to be used in

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future planning. Further, as some school systems have long recognized, communities frequently are capable of providing sorely needed resources such as management skills, auxilliary services, and observational duties which may be required especially at the point of "turnkeying" new instructional systems into the school. So while performance contracting may provide more measurable information to the community, is should also encourage closer and more meaningful relations between the community and the school.

WHAT ABOUT ACCOUNTABILITY

Performance contracting may be a versitile method to test instructional systems, teaching techniques, and reward structures at all levels—national, state, and local. And, it may prove to be a good approach for rapidly increasing student proficiency in basic skills—particularly for those students who have fallen far behind. The larger and more interesting question, however, is—can performance contracting eventually lead to schools being accountable to the public in terms of educational results? Even assuming that some learning systems now being tested obtain student achievement which can be guaranteed under experimental conditions, the obstacles to turnkeying such systems into the schools on a guaranteed performance basis are formidable.

Some obvious changes will need to be made. School systems have historically measured educational goals in terms of inputs only. We are used to thinking about educational returns in terms of x number of dollars per pupil, x number of students per teacher, x number of pre-school programs. To make use of a procedure such as performance contracting, schools must be able to agree with the communities they serve on educational goals in terms of output—specifically defined, measurable output, at that. School management information and budgeting systems will need to be restructured and tied to the defined outputs (e.g. pupil achievement in reading) rather than to the inputs. Schools and communities will need to abandon longstanding curricula, teaching methods, and reward structures that don't work and embrace changing methodologies and structures that do work. More importantly, a new point of view and a new commitment are imperative.

"When a child fails to learn, school personnel have all too often labeled him 'slow,' 'unmotivated,' or 'retarded.' Our schools must assume the commitment that *every* child shall learn. Such a commitment must include the willingness to change a system that does not work, or to find one that does: to seek causes of failure in the system and its personnel, instead of focusing entirely on students." [2]

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[1] Englemann, Siegfried. *Preventing Failure in the Primary Grades.* New York: Simon and Schuster, 1969.

[2] Russell W. Peterson, Governor of the State of Delaware; Chairman, Education Commission of the States. From a speech at the ECS Conference in Denver, July, 1970.

Special Report prepared by Marian F. Bendixsen, Executive Associate

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